



Republican Policy Committee

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What is the Dole-Kemp Economic Plan?

The Dole-Kemp "Better America" plan is a comprehensive economic plan that immediately will increase all working Americans' take-home pay by cutting income taxes, and create more and better jobs through economic growth.

Lower Taxes, More Take-Home Pay

- **The Dole-Kemp growth plan increases take-home pay by:**
 - ▶ Cutting everyone's personal income taxes by 15%;
 - ▶ Providing families with children an additional \$500-per-child tax credit; and
 - ▶ Repealing the 1993 Social Security tax increase on seniors.
 - **Working Americans fare better under the Dole-Kemp tax cut:**
 - ▶ A married couple with two children earning \$30,000 will save \$1,261 a year (an 86-percent reduction in taxes);
 - ▶ A married couple with two children earning \$50,000 will save \$1,718 a year (a 36-percent reduction);
 - ▶ A childless single taxpayer earning \$30,000 will save \$392 a year (a 15-percent reduction);
 - ▶ A childless married couple earning \$50,000 will save \$848 a year (a 15-percent reduction); and
 - ▶ A retired couple earning \$60,000 will save \$1,004 a year (a 15-percent reduction).
- [Source: Joint Committee on Taxation. Calculations include \$500 tax credit for families with children and 15-percent rate reduction.]*

More And Better Jobs

- Economists up and down the political spectrum agree that the only way to increase take-home pay over the long-run is to increase productivity and economic growth through investment. The Dole-Kemp plan does just that by:
 - ▶ Cutting the capital gains rates in half — to 14 percent from 28 percent — and reducing even further — to 7.5 percent — the rate for taxpayers in the 15-percent tax bracket;

- ▶ Expanding Individual Retirement Accounts (IRAs);
- ▶ Promoting education and job training through tax incentives; and
- ▶ Reforming the tax code to make it fairer, flatter and simpler for all Americans.

What Economic Growth Means For All Americans

- **The Dole-Keep plan is intended to achieve an annual growth rate of 3.5 percent.**
- **This growth rate would double the real income of the average American taxpayer:**
 - ▶ Real median family income, now averaging about \$40,000 per year, would increase to about \$80,000 per year in the next generation.
 - ▶ Per capita income, now at \$17,000, would rise to \$34,000 in the next generation.

More Than a Tax Cut — an Overall Economic Plan

- **The Dole-Kemp plan is more than a tax cut — it is an overall economic plan to revitalize America's economy by reducing Washington's bureaucracy. The plan:**
 - ▶ Calls for a Balanced Budget Amendment to the Constitution and a balanced budget by the year 2002;
 - ▶ Eliminates unnecessary and burdensome government red tape by restoring common-sense to government regulations;
 - ▶ Ends lawsuit abuse by calling for reforms to the legal system;
 - ▶ Promotes education and job training by promoting opportunity scholarships for children and providing tax incentives to save for education, while ending taxation of workers who receive job assistance from their employers.

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